

\*\* Market Sensitive \*\*

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## **BPS DELIVERS ON CHINA WITH \$2 MILLION DEAL FOR MORLIFE**

### Highlights

- BPS to facilitate the sale and distribution of Morlife Australian functional foods in China
- BPS to earn a merchant transaction and marketing fee on all goods sold

Leading financial technology platform provider BPS Technology Limited (ASX: BPS, "the Company") is pleased to announce it has executed a Merchant Agreement to facilitate the selling and distribution of Morlife health products into China's market on Alibaba's 1688.com, via its Master Merchant Agreement with SmartTrans Holdings Limited (ASX: SMA).

Morlife, Australia's leading innovator in functional foods, is the first of BPS' merchants to sell through Alibaba's sales channel via the landmark agreement BPS announced on 18 May 2016. The company is planning further arrangements for more BPS merchants to take advantage of this new sales channel, initially in the Health and Superfoods, Property, Travel and Education categories.

"The China Free Trade Agreement and the relationship via BPS allows Morlife to better control its product and sales distribution in the world's fastest growing health food market," said Cheryl Stewart, GM of International Markets for Morlife.

"It is satisfying to be able to legally operate in China under favourable commercial terms and with partners who respect the integrity of a supply chain relationship. Historically, third party operators have sold our goods in to China beyond our control and with no gain to us. That was not in the best interests of consumers or Morlife," said Ms Stewart.

"It is Morlife's ambition to build this Merchant Agreement into a \$2 million sales channel in the next 12 months. To achieve this, we are doubling capacity at our Gold Coast production facility to meet expected demand."

BPS will initially make available a select group of Morlife products which match China's tastes and market sensitivities. These will include Alkalising Greens, Acai Powders, Coconut Water, Liver Detox, Wheatgrass Powders, Various Berry Mixers and other health superfoods. In early June, Ms Stewart will meet with marketing representatives of Alibaba and 1688.com in China to ensure the target market fully understands Morlife's range of superfoods and to ensure the best possible distribution into China.

BPS' partner, SmartTrans, will ensure that all products satisfy Alibaba's stringent supply chain criteria as per Australia's new Free Trade Agreement with China. This agreement specifies particular quality controls and procedures with regard to e-Commerce participants. BPS is set to benefit from the Chinese requirement for marketing and sales to go only via trusted sites. All product will be sold at RRP with additional merchant fees and taxes added to satisfy local regulatory and taxation requirements.

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BPS will earn a merchant and marketing fee for all goods sold under the above arrangement involving SmartTrans and 1688.com.

“BPS is all about making businesses become more successful,” said Trevor Dietz, CEO of BPS Technology Limited. “Through our technology and marketing platforms, we have been able to open up a huge market to our 24,000 merchant base. We are proud to be assisting a great local business with their global ambitions – it is what we do.”

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**About BPS Technology Limited (ASX: BPS):** BPS Technology Limited is a leading provider of technology platforms and management systems in the Digital Payments space for Small to Medium Businesses (SMBs) in 8 countries. Its technology platforms and systems help to drive customers to its SMB merchants. More than 24,000 SMBs transact in excess of 1.8m transactions worth \$600m+ per annum using its various technology platforms. BPS earns fees on all transactions over the platforms via its subsidiaries Bartercard, bucqi and TESS.

**About Bartercard:** Bartercard operates the world’s largest trade exchange. It allows small to medium businesses to conduct business transactions without the use of cash. There are 50,000+ card holders in 8 countries currently. Bartercard transactions can be conducted online, via its mobile app, across more than 7,000 bank EFTPOS terminals and on bucqi terminals.

**About bucqi:** bucqi is a disruptive technology based around a loyalty platform designed for SMBs combined with a robust and innovative mobile payment app for both merchants and consumers. The payments platform has been two years in the making and has a number of patents pending. It allows consumers to easily pay for goods and services without taking out their wallet or swiping their credit card and they earn and redeem reward points via a wide range of participating suppliers. It has been launched in 3 regional cities in Queensland Australia and Wellington in New Zealand.

**About TESS:** TESS (Trade Exchange Software Services) is a software platform developed to support all trade exchanges globally. It is the only software recognised and recommended as preferred software by the International Reciprocal Trade Association (IRTA) - the largest professional body governing of the industry globally. TESS produces versions of its software created to service small, medium, large and enterprise level exchanges. IRTA uses TESS supplied software to run its Universal Currency (UC) trading platform that allows members’ trade exchanges to trade between themselves seamlessly.

**About Morlife:** Morlife ([www.morlife.com.au](http://www.morlife.com.au)), Australia's #1 innovator of functional foods, has been developing potent, nutritional food solutions for over 16 years in its purpose-built manufacturing facility on the Gold Coast. Its in-house research and development team is the heart of its business, constantly working on new and innovative ways to create higher nutrient functional foods backed by solid research and analysis. The Morlife range consists of superfood blends, functional cereals, functional food bars, dark chocolate coated antioxidant berries, chia puddings and more that are distributed to national supermarket chains, IGAs, health stores and now growing internationally. With outstanding achievements in many prestigious food awards, Morlife continues to set the benchmark for company excellence and bring wellness to its consumers.

**About Alibaba:** Alibaba.com, the primary company of Alibaba, is the world's largest online business-to-business trading platform for small businesses. Founded in Hangzhou in eastern China, Alibaba.com has three main services. The company's English language portal Alibaba.com handles sales between importers and exporters from more than 240 countries and regions. The Chinese portal 1688.com was developed for domestic business-to-business trade in China. In addition, Alibaba.com offers a transaction-based retail website, AliExpress.com, which allows smaller buyers to buy small quantities of goods at wholesale prices. In 2013, 1688.com launched a direct channel that is responsible for \$50 million in daily transaction value for foreign products in China.